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SUBJECT: ITALY: CHAMBER OF DEPUTIES PASSES ELECTORAL REFORM
LAW

REF: ROME 3376

Classified By: Political Minister Counselor David Pearce for
reasons 1.4 (b) and (d).

1. (C) SUMMARY. PM Berlusconi's Center-Right coalition moved an electoral reform bill through the important Chamber of Deputies on October 13 in a vote that ended in an opposition walkout and mass abstention. The bill is widely expected to pass the Senate next week and become law. The change heralds a return to a proportional voting system, originally scrapped in favor a mixed majoritarian/proportional system after a 1993 public referendum. The main effect of the law will be to strengthen the role of political party leaders in candidate selection nationwide. Italy does not have a strong tradition of party primaries. The change may improve the electoral chances of PM Berlusconi's Center-Right coalition slightly, but it also satisfies concerns of some Center-Right coalition members who believe the Center-Right will lose the Spring 2006 elections. Union of the Christian Democrats of the Center (UDC) leaders, currently allied with Berlusconi, aspire to recreate a coalition of the center and are preparing for what they see as the probable victory and subsequent collapse of a Center-left coalition led by Romano Prodi. Opposition parties call the electoral reform "undemocratic" though the parties of the Center-Left are actually less affected by the reform than Prodi, who heads the Center-Left coalition but has no formal party affiliation. The new law will likely force Prodi either to found his own party or to join an existing one. END SUMMARY.

RETURN TO PROPORTIONAL VOTING

2. (U) The Chamber of Deputies approved electoral reform legislation on October 13. Under the new election law, parliamentarians will be elected according to a proportional system. Italians will vote party lists for both the Chamber of Deputies and the Senate with the number of seats in each chamber allocated to the parties based on the percentage of votes received. A party must receive at least four percent of all votes to receive seats. The threshold is reduced to two percent if the party is formally part of a coalition that receives at least 10 percent of total votes. There will be a "governing premium" for the winning coalition in order to increase governing stability. If the winning coalition does not obtain at least 340 seats in the Chamber of Deputies (out of a total 630) it will automatically be given 340 seats. The remaining seats will be divided among opposition parties on a proportional basis. In the Senate, the governing coalition will be given at least 170 seats out of a total of 315. As before, there are 12 seats in the Chamber and 6 in the Senate elected directly by Italians living abroad. The leader of the largest party in the winning coalition will be the presumptive prime ministerial candidate. However, this cannot be stated explicitly in the law since the selection of prime minister is constitutionally the prerogative of the President of the Republic.

3. (U) The legislation will pass to the Senate for consideration next week. No amendments are expected from the Senate. If the bill, in fact, passes unamended, then it goes to the President for signature and becomes law.

A RETURN TO THE PREVIOUS SYSTEM

4. (SBU) Italy's last significant electoral reform occurred in 1994 after voters overwhelmingly supported a national referendum proposing the abolition of the proportional system, which had been in place for the entire post-war period. Party leaders, wanting to respond to the referendum, but afraid to lose their influence, developed a mixed system in which 75 percent of parliamentary seats were voted directly in local constituencies and 25 percent by proportion from nationwide lists. Among other effects, the system encouraged the development of center-left and center-right coalitions, and many observers credit the reform with creating more stable governments. Berlusconi has served the longest consecutive period of any post-war Italian Prime

Minster.

WHY THE CENTER-RIGHT WANTED THE CHANGE

15. (SBU) Infighting in the Center-Right coalition has spilled out into the press for the last several months. Union of the Christian Democrats of the Center (UDC) party leaders Marco Follini and Pier Ferdinando Casini called openly for PM Silvio Berlusconi to step aside as leader of the Center-Right coalition and agitated strongly for electoral reform. At the same time, Northern League politicians said they would not support electoral reform until after the coalition passes a law supporting devolution of powers from the central government to the regions. Coalition leaders began to speculate about the need for their own primary election and rumors circulated that the UDC would soon leave the coalition.

16. (C) The electoral reform will accomplish several objectives for the Center-Right coalition. Opposition party leader Pier Fassino (DS) told Poloff that the Center-Right is so divided that they could never determine how to distribute future seats among themselves. He said this reform was necessary since it provides a clear method to distribute seats. More importantly, the Center-Right coalition has a "branding" problem, according to many observers. In the previous mixed system, the coalition symbol generally received less total votes in the direct component of the election than the sum of the votes for the individual parties in the proportional component of the election. In a purely proportional system, the Center-Right coalition, through votes for individual parties, will gain a few percentage points more of total votes cast.

REMAKING THE CENTER

17. (C) UDC politicians have been vocal in their desire to recreate the tradition of the Christian Democrat party that ruled Italy for most of the post-war period--until corruption scandals and electoral reform brought it down. The proportional system weakens the importance of the coalition system (REFTEL), since individual parliamentarians will owe their seat to the party more than to the coalition. Most political observers maintain that UDC leaders Marco Follini and Pier Ferdinando Casini are betting that Romano Prodi's Center-Left coalition will win next spring's national elections, but will fall relatively soon afterward because of inherent instabilities in the center-left. The UDC then hopes to cobble together the more conservative elements of the center-left with his party and any defections from Forza Italia. Many of these party members and their voters were once part of the Christian Democrat Party.

PRODI AND CENTER-LEFT CRY FOUL

18. (C) Center-Left parliamentarians walked out of the Chamber and abstained from the vote after their attempts at filibuster failed. Various party leaders have called the bill "undemocratic," and Fassino criticized the Center-Right as desperately looking for ways to hold on to power. The electoral reform is a potential blow to Center-Left coalition leader Romano Prodi. Prodi does not have a political party, and may have to either found one or run at the head of a list of one of the existing coalition partners. Also, by making the parties more independent of the coalition, it weakens his already tenuous hold on a very divided Center-Left coalition. Political commentators say the electoral reform law will overshadow the October 16 Center-Left primaries, which one Daisy party officials told Poloff are meaningless with a proportional system.

19. (SBU) Non-partisan critics have observed that political parties are traditionally very strong in Italy, and that this reform will strengthen them even further. Many also criticize the move as "undemocratic" and a "move back to the First Republic." Under the system in place since 1994, the coalition picks who runs in each of the electoral districts, but the eventual winner is voted directly by a local constituency in 75 percent of the cases. This creates a direct link between the parliamentarian and his voter base. With the reform, people will vote a national party list chosen by the party leadership. As such, since there is not a strong tradition of party primaries for candidate selection, the parliamentarian will be more accountable to the party than to the voting public.

COMMENT

110. (C) COMMENT: If it passes the Senate (as it probably

will), this electoral reform law is not likely to significantly affect the overall outcome of national elections next spring. At best, the Center-Right might squeeze a few extra percentage points out of the reform. The more significant impacts are: (1) It should calm waters inside the Center-Right coalition, ending the debate over a change in "coalition leadership" and satisfying a key UDC demand; (2) It may weaken Romano Prodi's already tenuous hold over his coalition; and (3) It clears away some of the obstacles for the parties born from the former Christian Democrat power base to recreate the tradition of governing from the "Center." Many political actors are betting the Center-Left will win next year's elections and then fall because of internal discord. The UDC and others are already positioning themselves to pick up the pieces if Berlusconi's Center-Right government loses next spring, and is succeeded by a short-lived Center-Left coalition. END COMMENT.
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